

CG 22 69 01 96

DRUGGISTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following is added to paragraph 1. of COVERAGE A-BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I-Coverages):
"Bodily injury" or "property damage" arising out of the rendering or failure to render professional health care services as a pharmacist shall be deemed to be caused by an "occurrence."
- B. The following exclusion is added to paragraph 2., Exclusions of COVERAGE A-BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I-Coverages):
This insurance does not apply to "bodily injury" or "property damage" caused by the willful violation of a penal statute or ordinance relating to the sale of pharmaceuticals by or with the knowledge or consent of any insured.
- C. Paragraph 2.a.(1)(d) under WHO IS AN INSURED (Section II) is replaced by the following:
However, none of these "employees" is an insured for:
(1) "Bodily injury" or "personal injury":
(d) arising out of his or her providing or failing to provide professional health care services, other than professional health care services performed in his or her capacity as a pharmacist.
- D. For the purpose of determining the limits of insurance for the coverage provided by this endorsement, any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BROAD NAMED INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

It is agreed that:

1. Paragraph 4. of Section II of the Policy ("Who Is An Insured") is deleted and replaced with the following:
 4. Any subsidiary, affiliate or organization, other than a partnership or joint venture, as may now exist or hereafter be constituted over which you assume active management or maintain ownership or majority interest, provided that you notify us within ninety (90) days from the date that any such subsidiary or affiliate is acquired or formed and that there is no other similar insurance available to that organization. However:
 - a. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization.
 - b. Coverage B does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.
- No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.
2. Nothing in this Endorsement shall affect the responsibilities, duties or obligations of either the first Named Insured or of the Company under the Policy.

GL 00 R061 00 0394

CG 20 11 01 96

ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective	12:01 A.M. standard time	Policy No.	NGB 0151564-00
Named Insured	Countersigned by		
INTEGRATED HEALTH SERVICES, INC.			

(Authorized Representative)

SCHEDULE

1. Designation of Premises (Part Leased to You):
2. Name of Person or Organization (Additional Insured):
3. Additional Premium:

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule.

(10-93)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CG 22 44 10 93

EXCLUSION – SERVICES FURNISHED BY HEALTH CARE PROVIDERS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective	12:01 A.M. standard time	Policy No.	NGB 0151564-00
Named Insured	Countersigned by		
INTEGRATED HEALTH SERVICES, INC.			

(Authorized Representative)

SCHEDULE**Description of Operations:**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following exclusion is added to Paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages) and paragraph 2., Exclusions of COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY (Section I – Coverages):

With respect to any operation shown in the Schedule, this insurance does not apply to "bodily injury," "property damage," "personal injury" or "advertising injury" arising out of:

1. The rendering or failure to render:

- a. Medical, surgical, dental, x-ray or nursing service, treatment, advice or instruction, or the related

furnishing of food or beverages;

- b. Any health or therapeutic service, treatment, advice or instruction; or

- c. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming.

2. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or

3. The handling or treatment of dead bodies, including autopsies, organ donation or other procedures.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF OCCURRENCE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

If you report an injury to an employee to your worker's compensation carrier and if it is subsequently determined that the injury is one to which this insurance may apply, any failure to comply with Section IV, Commercial General Liability Conditions, duties in the event of an occurrence, claim or suit, will be waived if you provide us with the required notice as soon as possible after you know or reasonably should have known that this insurance may apply.

All other terms and conditions of this policy remain unchanged.

GL 00 R058 00 0394

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NON-PYRAMIDING OF LIMITS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to bodily injury, property damage, advertising injury or personal injury arising out of an occurrence for which coverage is available under:

HOSPITAL PROFESSIONAL LIABILITY COVERAGE FORM

Nor shall coverage provided under this insurance be excess over coverage provided under any of the policies listed above.

CGBI 77 11 08 90-S
GL00 R055 00 0394

QUICK REFERENCE
EMPLOYEE BENEFIT LIABILITY COVERAGE PART
READ YOUR POLICY CAREFULLY

	Beginning on Page
SECTION I - COVERAGES	1-4
Insuring Agreement	1
Exclusions	2
Supplementary Payments	3-4
SECTION II - WHO IS AN INSURED	4
SECTION III - LIMITS OF INSURANCE	4-5
SECTION IV - DEDUCTIBLE	5
SECTION V - CONDITIONS	5-7
Bankruptcy	5
Duties in the Event of An Act, Error or Omission, Claim or Suit	5
Other Insurance	6
Legal Action Against Us	6
Premium Audit	7
Arbitration	7
Separation of Insureds	7
Transfer Of Rights Of Recovery Against Others To Us	7
SECTION VI - EXTENDED REPORTING PERIOD	7-8
SECTION VII - DEFINITIONS	8-10

THIS IS CLAIMS MADE COVERAGE - PLEASE READ THE ENTIRE FORM CAREFULLY.

EMPLOYEE BENEFIT LIABILITY COVERAGE PART

This coverage form explains your coverage for Employee Benefit Liability.

No obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for:

1. under the insuring agreements applicable to these coverages; or
2. under the SUPPLEMENTARY PAYMENTS.

These coverages are subject to exclusions that restrict coverage. The amount we will pay is limited as described under LIMITS OF INSURANCE. Read the entire Coverage Part carefully to determine rights, duties and what is and is not covered.

SECTION I - COVERAGES

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of acts, errors or omissions arising out of the administration of your employee benefit program.
- b. We will have the right and duty to defend any suit to which this insurance applies, seeking damages, but:
 - (1) We may investigate and settle any claim or suit at our discretion; and
 - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.
- c. This insurance applies to damages because of a negligent act, error or omission in the administration of your employee benefit program only if:
 - (1) The negligent act, error or omission out of which damages arise is committed in the coverage territory; and
 - (2) The claim for damages because of a negligent act, error or omission is first made during the policy period or any Extended Reporting Period we provide under EXTENDED REPORTING PERIODS (Section VI) by:
 - (a) an employee;
 - (b) a former employee; or
 - (c) The beneficiaries or legal representatives of an employee or a former employee.
- d. A claim by a person or organization will be deemed to have been made when notice of such claim is received and recorded by any insured or by us whichever comes first.
- e. All claims for damages by the same person and due to the same negligent act, error or omission will be deemed to have been made at the time the first of those claims is made against any insured.
- f. Written notice given by the insured during the policy period of an act, error or omission taking place during the policy period which may result in a claim will be considered a claim made against the insured during the policy period.

2. Exclusions.

This insurance does not apply:

- a. To loss arising out of any dishonest, fraudulent, criminal or malicious act or omission, committed by any insured.
- b. To bodily injury, property damage, personal injury or advertising injury.
- c. To loss arising out of the failure of performance of contract by any insurer.
- d. To loss arising out of an insufficiency of funds to meet any obligations under any plan included in the employee benefit program.
- e. To any claim or suit based upon:
 - (1) Failure of any investment to perform as represented by any insured; or
 - (2) Advice given to any person to participate or not to participate in any plan included in the employee benefit program.
- f. To loss arising out of your failure to comply with the mandatory provisions of any law concerning workers' compensation, unemployment insurance, social security or disability benefits.
- g. To loss for which the insured is liable because of a liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended.
- h. To loss or damage for which benefits have accrued under the terms of an employee benefit plan to the extent that such benefits are available from funds accrued by the insured for such benefits or from collectible insurance, notwithstanding the insured's act, error or omission in administering the plan which precluded the claimant from receiving such benefits.
- i. If as of the effective date of this policy, the insured had knowledge or could reasonably foresee any circumstances which might result in a claim.
- j. To fines, penalties or taxes.
- k. To damage for acts, errors or omissions which were committed before the Retroactive Date shown in the schedule.
- l. To loss of money, banknotes, bullion, checks, money orders, and all other negotiable and nonnegotiable instruments representing money.
- m. To loss as a result of actual or alleged discrimination or humiliation.

3. Supplementary Payments.

We will pay, with respect to any claim or suit we defend:

- a. All expenses we incur.
- b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or suit, including actual loss of earnings up to \$100 a day because of time off from work.

CGBP 73 20 10 93
GL 00 R033 02 0396

(10-93)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CG 02 24 10 93

EARLIER NOTICE OF CANCELLATION PROVIDED BY US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

LIQUOR LIABILITY COVERAGE PART

POLLUTION LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective	Policy No.
12:01 A.M. standard time	NCB 0151564-00
Named Insured	Countersigned by
Integrated Health Services, Inc.	

(Authorized Representative)

SCHEDULE

Number of Days' Notice 10 DAYS FOR NONPAYMENT REASONS
90 DAYS FOR ALL OTHER REASONS

(If no entry appears above, information required to complete this Schedule will be shown in the Declarations as applicable to this endorsement.)

For any statutorily permitted reason other than nonpayment of premium, the number of days required for notice of cancellation, as provided in paragraph 2. of either the CANCELLATION Common Policy Condition or as amended by an applicable state cancellation endorsement, is increased to the number of days shown in the Schedule above.

number of persons or organizations who sustain damages because of that "occurrence".

3. Under the Personal and Advertising Injury Coverage, to all damages because of "personal injury" and "advertising injury" as the result of any one "occurrence" regardless of the number of persons or organizations who sustain damages because of that "occurrence".
- C. DEDUCTIBLE AGGREGATE - If a "Deductible Aggregate" is shown in the above Schedule:
 1. When as a result of the application of deductibles, the total of all deductibles paid by you exceeds the amount shown as "Deductible Aggregate" in the above Schedule, we will then pay for all damages that would otherwise be payable without applying any further deductibles, but the amount we will pay is limited as described under all provisions of the Policy applying to the Limits of Insurance.
 2. The "Deductible Aggregate" amount applies separately to each Policy year. Each Policy year:
 - a. begins with the inception or anniversary date of the Policy; and
 - b. ends at the next anniversary date or the expiration of the Policy.
 3. The terms of this insurance, including those with respect to:
 - A. Our right and duty to defend any "suits" seeking those damages; and
 - B. Your duties in the event of an "occurrence", claim, or "suit" apply irrespective of the application of the deductible amount.
 4. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

GU 207
(6-78)

ENDORSEMENT

This endorsement, effective on _____ at 12:01 A.M. standard time, forms a part of
Policy No. NGB 0151564-00 of the
Issued to. INTEGRATED HEALTH SERVICES, INC.



Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUPPLEMENTARY PAYMENTS-ERODE LIMITS OF INSURANCE AMENDMENT

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

HOSPITAL PROFESSIONAL LIABILITY COVERAGE FORM

" SUPPLEMENTARY PAYMENTS" IS MODIFIED SUCH THAT ALL PAYMENTS WILL REDUCE THE LIMITS OF INSURANCE. THE FOLLOWING CHANGES ARE MADE TO THE COVERAGE FORMS:

" INSURING AGREEMENT" , SECTION I COVERAGE, PARAGRAPH 1.a. (1) IS REPLACED WITH:

(2) THE AMOUNT WE WILL PAY FOR DAMAGES AND OUR RIGHT AND DUTY TO DEFEND IS LIMITED AND ENDS AS DESCRIBED IN LIMITS OF INSURANCE (SECTION III).

" INSURING AGREEMENT" , SECTION I, COVERAGE, PARAGRAPH 1.a. (2) IS DELETED.

" LIMITS OF INSURANCE" , SECTION III IS AMENDED AS FOLLOWS:

FOR THE PURPOSES OF DETERMINING THE LIMITS OF INSURANCE, DAMAGES INCLUDE AMOUNTS PAID UNDER SUPPLEMENTARY PAYMENTS. OUR RIGHT AND DUTY TO DEFEND ENDS WHEN WE HAVE USED UP THE APPLICABLE LIMIT OF INSURANCE.

" SUPPLEMENTARY PAYMENTS" , SECTION I IS DELETED AND REPLACED WITH THE FOLLOWING:

3. SUPPLEMENTARY PAYMENTS

GU 207 (6-78)

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

GU 207
(6-78)

ENDORSEMENT

This endorsement, effective on _____ at 12:01 A.M. standard time, forms a part of
Policy No. NGB 0151564-00 _____ of the
Issued to. INTEGRATED HEALTH SERVICES, INC.



Authorized Representative

WE WILL PAY, WITH RESPECT TO ANY CLAIM WE INVESTIGATE OR SETTLE, OR ANY "SUITE"
AGAINST AN INSURED WE DEFEND:

1. ALL EXPENSES WE INCUR.
2. UP TO \$250 FOR COST OF BAIL BONDS REQUIRED BECAUSE OF ACCIDENTS OR TRAFFIC LAW VIOLATIONS ARISING OUT OF THE USE OF ANY VEHICLE TO WHICH THE BODILY INJURY LIABILITY COVERAGE APPLIES. WE DO NOT HAVE TO FURNISH THESE BONDS.
3. THE COST OF BONDS TO RELEASE ATTACHMENTS, BUT ONLY FOR BOND AMOUNTS WITHIN THE APPLICATION LIMIT OF INSURANCE. WE DO NOT HAVE TO FURNISH THESE BONDS.
4. ALL REASONABLE EXPENSES INCURRED BY THE INSURED AT OUR REQUEST TO ASSIST US IN THE INVESTIGATION OR DEFENSE OF THE CLAIM OR "SUIT", INCLUDING ACTUAL LOSS OF EARNINGS UP TO \$250 A DAY BECAUSE OF TIME OFF FROM WORK.
5. ALL COSTS TAXED AGAINST THE INSURED IN THE "SUIT".
6. PREJUDGMENT INTEREST AWARDED AGAINST THE INSURED ON THAT PART OF THE JUDGMENT WE PAY. IF WE MAKE AN OFFER TO PAY THE APPLICABLE LIMIT OF INSURANCE, WE WILL NOT PAY ANY PREJUDGMENT INTEREST BASED ON THAT PERIOD OF TIME AFTER THE OFFER.
7. ALL INTEREST ON THE FULL AMOUNT OF ANY JUDGMENT THAT ACCRUES AFTER ENTRY OF THE JUDGMENT AND BEFORE WE HAVE PAID, OFFERED TO PAY, OR DEPOSITED IN COURT THE PART OF THE JUDGMENT THAT IS WITHIN THE APPLICABLE LIMIT OF INSURANCE.

THESE PAYMENTS WILL BE CONSIDERED PART OF DAMAGES AND WILL REDUCE THE LIMITS OF INSURANCE.

GU 207 (6-78)

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

GU 207
(6-78)

ENDORSEMENT

This endorsement, effective on _____ at 12:01 A.M. standard time, forms a part of
Policy No. NGB 0151564-00 _____ of the
Issued to. INTEGRATED HEALTH SERVICES, INC.



Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT-INSURING AGREEMENT
PRIOR OCCURRENCE COVERAGE FOR SCHEDULED ENTITIES

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

HOSPITAL PROFESSIONAL LIABILITY COVERAGE FORM

SECTION I-COVERAGE, PARAGRAPH 1.B. (2) OF THE INSURING AGREEMENT IS DELETED AND REPLACED
AS FOLLOWS:

- (2) THE INJURY OCCURS DURING THE POLICY PERIOD; OR THE INJURY OCCURS SUBSEQUENT TO
THE LISTED "RETROACTIVE DATE" FROM ONE OF THE SPECIFICALLY "SCHEDULE
INSUREDS" BELOW AND THE CLAIM IS FIRST MADE DURING THIS POLICY PERIOD AND NOT
ANY OF THE FOLLOWING:
- a. FIRST MADE TO ANY INSURER PRIOR TO THE EFFECTIVE DATE OF THE SCHEDULED
ENTITY BEING ACQUIRED BY INTEGRATED HEALTH SERVICES, INC.
 - b. MADE AGAINST THIS POLICY BECAUSE THE LIMITS OF LIABILITY UNDER ANY
PREVIOUS POLICY, WHETHER ISSUED BY US OR NOT, ARE INSUFFICIENT OR HAVE
BEEN EXHAUSTED
 - c. MADE AGAINST THIS POLICY BECAUSE OF INSOLVENCY OR BANKRUPTCY OF ANY
INSURER
 - d. COVERED BY ANY OTHER INSURANCE, INCLUDING ANY COVERAGE AFFORDED BY AN
EXTENDED REPORTING PERIOD

GU 207 (6-78)

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

GU 207
(6-78)

ENDORSEMENT

This endorsement, effective on _____ at 12:01 A.M. standard time, forms a part of
Policy No. NGB 0151564-00 _____ of the
Issued to. INTEGRATED HEALTH SERVICES, INC.



Authorized Representative

SCHEDULED INSURED

BARTON CREEK HEALTHCARE, INC.
BARTON CREEK INVESTMENT, INC.
BAY AREA PARTNERS
LITHOTRIPTY PARTNERS OF CINCINNATI
LITHOTRIPTY MANAGEMENT SERVICES
SERVICE TRENDS
NORTH GEORGIA LITHOTRIPTY PARTNERS OF ATLANTA
NORTH GEORGIA LITHOTRIPTY, LP
NORTH GEORGIA LITHOTRIPTY ASSOCIATES, INC.
NORTH GEORGIA LITHOTRIPTY PARTNERS OF AUGUSTA
COBB REGIONAL LITHOTRIPTY PARTNERS
MIDWEST UROLOGIC STONE LIMITED PARTNERSHIP
MOBILE LITHOTRIPTY OF INDIANA, INC.
MOBILE LITHOTRIPTY OF INDIANA, LTD.
MOBILE LITHOTRIPTY OF INDIANA LIMITED PARTNERSHIP
NEW JERSEY LITHO, LP
NORTHEAST INDIANA STONECARE, LLC
SOUTHWEST LITHOTRIPTY PARTNERS, LTD.
GULF SOUTH LITHOTRIPTY
GULF SOUTH CRYOGENICS

RETROACTIVE DATE

SEPTEMBER 2, 1989
SEPTEMBER 1, 1990
JULY 26, 1986
JANUARY 1, 1993
JANUARY 1, 1993
SEPTEMBER 11, 1993
JUNE 12, 1990
JUNE 12, 1990
DECEMBER 12, 1994
FEBRUARY 11, 1991
JUNE 25, 1990
APRIL 1, 1993
FEBRUARY 1, 1993
FEBRUARY 1, 1993
FEBRUARY 1, 1993
SEPTEMBER 14, 1990
MARCH 1, 1994
DECEMBER 31, 1993
DECEMBER 1, 1990
DECEMBER 1, 1990

GU 207 (6-78)

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

GU 207
(6-78)

ENDORSEMENT

This endorsement, effective on _____ at 12:01 A.M. standard time, forms a part of
Policy No. NGB 0151564-00 of the
Issued to. INTEGRATED HEALTH SERVICES, INC.



Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

HOSPITAL PROFESSIONAL LIABILITY COVERAGE FORM

THIS ENDORSEMENT CHANGES YOUR POLICY TO COMPLY WITH THE REQUIREMENTS OF SECTION 952 OF THE OMNIBUS RECONCILIATION ACT OF 1980. UPON WRITTEN REQUEST, WE WILL ALLOW THE SECRETARY OF HEALTH AND HUMAN SERVICES AND THE CONTROLLER GENERAL ACCESS TO THE POLICY AND NECESSARY BOOKS, DOCUMENTS AND RECORDS TO VERIFY THE COST OF THE POLICY, TO THE EXTENT REQUIRED BY LAW. ACCESS WILL ALSO BE ALLOWED TO SUBCONTRACTORS BETWEEN US AND ANY RELATED ORGANIZATION OF OURS AND TO ITS BOOKS, DOCUMENTS AND RECORDS. SUCH ACCESS WILL BE PROVIDED UP TO FOUR YEARS AFTER THE SERVICES FURNISHED UNDER THIS POLICY END.

GU 207 (6-78)

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

GU 207
(6-78)

ENDORSEMENT

This endorsement, effective on _____ at 12:01 A.M. standard time, forms a part of
Policy No. NGB 0151564-00 of the
Issued to. INTEGRATED HEALTH SERVICES, INC.



Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT-BEAUTY AND BARBERS LIABILITY

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

HOSPITAL PROFESSIONAL LIABILITY COVERAGE FORM

SECTION V-DEFINITIONS, PARAGRAPH 8. "MEDICAL INCIDENT" IS AMENDED AS FOLLOWS;

- c. IN THE PROVIDING OR FAILURE TO PROVIDE PERSONAL OR PROFESSIONAL SERVICES USUAL TO A BEAUTY PARLOR OR BARBER SHOP, INCLUDING:
 - (1) THE RENDERING OR FAILURE TO RENDER ANY TREATMENT, SERVICE, ADVISE OR INSTRUCTION FOR THE PURPOSE OF APPEARANCE OR SKIN ENHANCEMENT, HAIR REMOVAL OR REPLACEMENT, OR PERSONAL GROOMING.

GU 207 (6-78)

- ... or copyright, title or slogan;
arising out of advertising activities.
3. **Bodily injury** - Bodily injury, sickness or disease sustained by a person, including care, loss of services or death resulting from any of these at any time.
 4. **Coverage Territory** - the United States of America (including its territories and possessions), Puerto Rico and Canada.
 5. **Employee(s)** - your officers, partners and employees whether actively employed, disabled or retired.
 6. **Employee benefit program** - the following plans:
 - a. Group life insurance, group accident or health insurance, profit sharing plans, IRS qualified pension plans and stock subscription plans, provided that no one other than an employee may subscribe to such insurance or plans;
 - b. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
 - c. Any other similar plan designated in the Declarations or added thereto by endorsement.
 7. **Insured** - any person or organization qualifying as such under WHO IS AN INSURED.
 8. **Leased Worker** - a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. Leased worker does not include a temporary worker.
 9. **Occurrence** - an accident, including continuous or repeated exposure to substantially the same general harmful conditions. Property Damage that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the accident that caused it.
 10. **Personal injury** - injury other than bodily injury, arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. Wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of:
 - 1) a room;
 - 2) a dwelling; or
 - 3) a premises;that a person occupies by on behalf of its owner, landlord or lessor;
 - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - e. Oral or written publication of material that violates a person's right of privacy.
 11. **Profit sharing plans** - only such plans that are IRS qualified and equally available to all full time employees.

12. **Property damage.**

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **occurrence** that caused it.

13. **Stock subscription plans** - only such plans that are IRS qualified and equally available to all full time employees.

14. **Suit** - a civil proceeding in which damage because of an act, error or omission to which this insurance applies are alleged. **suit** includes:

- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

15. **Temporary Worker** - a person who is furnished to you to substitute for a permanent employee on leave or to meet seasonal or short-term workload conditions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GL 23 27 01 86

**CHANGES IN PROFESSIONAL LIABILITY FORMS
FOR COMMERCIAL PACKAGE POLICIES**

This endorsement modifies insurance provided under the following:

HOSPITAL PROFESSIONAL LIABILITY POLICY

LAWYERS PROFESSIONAL LIABILITY POLICY

PHYSICIANS, SURGEONS AND DENTISTS PROFESSIONAL LIABILITY POLICY

- A. The following substitution of terms shall apply without any change in the insurance coverage provided:

The term:

"Company" is replaced by the terms "we," "us" or "our."

"Named insured" is replaced by the terms "you" or "your."

"Policy" is replaced by the term "Coverage Part."

"Policy territory" is replaced by the term "coverage territory."

- B. If this Coverage Part is written with a Commercial General Liability "claims-made" coverage form, SECTION V—Extended Reporting Periods in that form does not apply to this Coverage Part. The Extended Reporting Period contained in the ADDITIONAL CONDITIONS of this Coverage Part applies.

- C. The "suit" definition is replaced by the following:

"Suit" means a civil proceeding in which damages to which this insurance applies are alleged. "Suit" includes an arbitration proceeding alleging such damages to which you must submit or submit without consent.

- D. The following Conditions are replaced by the Common Policy Conditions:

1. Premium.
2. Inspection and Audit.
3. Changes.
4. Assignment.
5. Cancellation.

PROFESSIONAL LIABILITY
PR 00 03 12 97

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HOSPITAL PROFESSIONAL LIABILITY COVERAGE FORM

Various provisions in the policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

SECTION I - COVERAGE**1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of injury to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However we will have no duty to defend the insured against any "suit" seeking damages for injury to which this insurance does not apply. We may at our discretion investigate any "medical incident" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to injury only if:

- (1) The injury is caused by a "medical incident" that takes place in the "coverage territory"; and
- (2) The injury occurs during the policy period.

2. Exclusions

This insurance does not apply to:

a. Criminal Acts

Injury arising out of a criminal act, including but not limited to sexual abuse or molestation or fraud, committed by or at the direction of the insured.

b. Contractual Liability

Injury for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

c. Violation Of An Antitrust Law

Any claim for damages arising out of the violation of an antitrust law.

d. Workers Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employers' Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligations to share damages with or repay someone else who must pay damages because of the injury.

f. Aircraft, Auto Or Watercraft

Injury arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft. Use includes operation and loading or unloading.

However, this exclusion does not apply to loading or unloading of patients from any "ambulance".

PR 00 03 12 97

Copyright, Insurance Services Office, Inc., 1996

Page 1 of 5

We will pay, with respect to any claim we investigate or settle or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- d. All costs taxed against the insured in the "suit".
- e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- f. All interest on the full amount of the judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the Limits of Insurance.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members and partners and their spouses are also insureds, but only with respect to that member's or partner's liability as such.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers", directors, trustees and governors are insureds, but only with respect to their duties as your officers, directors, trustees or governors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Your employees are also insureds, but only for acts or omissions within the scope of their employment by you or while performing duties related to the conduct of your business.

3. If an insured dies or is adjudged incompetent, this insurance will terminate for that insured. But the insured's legal representative will be an insured for any "medical incident" previously committed and covered by this policy.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for the sum of all damages because of injury.
3. Subject to the Aggregate Limit, the Each Medical Incident Limit is the most we will pay for all damages because of all injury arising out of any one "medical incident".

All related "medical incidents" arising out of the providing of or failure to provide professional health care services to any one person shall be considered one "medical incident".

The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV - CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

**IN THE EVENT OF A Medical Incident,
Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of a circumstance which may result in a claim. To the extent possible, notice should include:
 - (1) Specific circumstances surrounding the "medical incident";
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury arising out of the "medical incident".
 - b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
 - c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury to which this insurance may also apply.
 - d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
- 3. Legal Action Against Us**
- No person or organization has a right under this Coverage Part:
- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
 - b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph b. below.

b. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.

- a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.
3. The Products Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard."
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and all "advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
- a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence."
6. Subject to 5. above, the Fire Damage Limit is the most we will pay under Coverage A for damages because of "property damage" to premises, while rented to you or temporarily occupied by you with permission of the owner, arising out of any one fire.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV—COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy.

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit.

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
- (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
- You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us.

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance.

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

- a. Primary Insurance

tions are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (2) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner; or
- (3) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Coverage A (Section I).

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit." If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit.

- a. We will compute all premiums for this Coverage

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations.

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us.

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew.

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

1. "Advertising injury" means injury arising out of one or more of the following offenses:

- a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- b. Oral or written publication of material that violates

- c. misappropriation of advertising ideas or style of doing business; or
 - d. Infringement of copyright, title or slogan.
 - 2. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment."
 - 3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
 - 4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
 - c. All parts of the world if:
 - (1) The injury or damage arises out of:
 - (a) Goods or products made or sold by you in the territory described in a. above; or
 - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
 - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
 - 5. "Employee" includes a "leased worker." "Employee" does not include a "temporary worker."
 - 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
 - 7. "Impaired property" means tangible property, other than "your product" or "your work," that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
 - 8. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Paragraph f. does not include that part of any contract or agreement:
- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing;
 - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change order or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.
9. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker."
10. "Loading or unloading" means the handling of property:
 - a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto."

11. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

12. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

injury, arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- e. Oral or written publication of material that violates a person's right of privacy.

14. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

- ... physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
16. "Suit" means a civil proceeding in which damages because of "bodily injury," "property damage," "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
17. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
18. "Your product" means:
- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) You;
 - (3) A person or organization whose business or assets you have acquired; and
 - b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- "Your product" includes:
- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - b. The providing of or failure to provide warnings or instructions.
- "Your product" does not include vending machines or other property rented to or located for the use of others but not sold.
19. "Your work" means:
- a. Work or operations performed by you or on your behalf; and
 - b. Materials, parts or equipment furnished in connection with such work or operations.
- "Your work" includes:
- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - b. The providing of or failure to provide warnings or instructions.

(The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

GU 207
(6-78)

ENDORSEMENT

This endorsement, effective on _____ at 12:01 A.M. standard time, forms a part of
Policy No. NGB 0151564-00 of the
Issued to. INTEGRATED HEALTH SERVICES, INC.



Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUPPLEMENTARY PAYMENTS-BRODE LIMITS OF INSURANCE AMENDMENT

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

" SUPPLEMENTARY PAYMENTS" IS MODIFIED SUCH THAT ALL PAYMENTS WILL REDUCE THE LIMITS OF INSURANCE. THE FOLLOWING CHANGES ARE MADE TO THE COVERAGE FORMS:

" INSURING AGREEMENT" , SECTION I, COVERAGE A AND COVERAGE B, PARAGRAPH 1.a.(1) IS REPLACED WITH:

- (1) THE AMOUNT WE WILL PAY FOR DAMAGES AND OUR RIGHT AND DUTY TO DEFEND IS LIMITED AND ENDS AS DESCRIBED IN LIMITS OF INSURANCE (SECTION III).

" INSURING AGREEMENT" , SECTION I, COVERAGE A AND COVERAGE B, PARAGRAPH 1.a.(2) IS DELETED.

" LIMITS OF INSURANCE" , SECTION III IS AMENDED AS FOLLOWS:

FOR THE PURPOSES OF DETERMINING THE LIMITS OF INSURANCE, DAMAGES INCLUDE AMOUNTS PAID UNDER SUPPLEMENTARY PAYMENTS. OUR RIGHT AND DUTY TO DEFEND ENDS WHEN WE HAVE USED UP THE APPLICABLE LIMIT OF INSURANCE.

" SUPPLEMENTARY PAYMENTS" , SECTION I IS DELETED AND REPLACED WITH THE FOLLOWING:

GU 207 (6-78)

The Attaching Clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

GU 207
(6-78)

ENDORSEMENT

This endorsement, effective on _____ at 12:01 A.M. standard time, forms a part of
Policy No. NGB 0151564-00 of the
Issued to. INTEGRATED HEALTH SERVICES, INC.



Authorized Representative

SUPPLEMENTARY PAYMENTS COVERAGES A AND B

WE WILL PAY, WITH RESPECT TO ANY CLAIM WE INVESTIGATE OR SETTLE, OR ANY " SUIT"
AGAINST AN INSURED WE DEFEND:

1. ALL EXPENSES WE INCUR.
2. UP TO \$250 FOR COST OF BAIL BONDS REQUIRED BECAUSE OF ACCIDENTS OR TRAFFIC LAW VIOLATIONS ARISING OUT OF THE USE OF ANY VEHICLE TO WHICH THE BODILY INJURY LIABILITY COVERAGE APPLIES. WE DO NOT HAVE TO FURNISH THESE BONDS.
3. THE COST OF BONDS TO RELEASE ATTACHMENTS, BUT ONLY FOR BOND AMOUNTS WITH IN THE APPLICABLE LIMIT OF INSURANCE. WE DO NOT HAVE TO FURNISH THESE BONDS.
4. ALL REASONABLE EXPENSES INCURRED BY THE INSURED AT OUR REQUEST TO ASSIST US IN THE INVESTIGATION OR DEFENSE OF THE CLAIM OR " SUIT" , INCLUDING ACTUAL LOSS OF EARNINGS UP TO \$250 A DAY BECAUSE OF TIME OFF FROM WORK.
5. ALL COST TAXED AGAINST THE INSURED IN THE " SUIT" .
6. PREJUDGMENT INTEREST AWARDED AGAINST THE INSURED ON THAT PART OF THE JUDGMENT WE PAY. IF WE MAKE AN OFFER TO PAY THE APPLICABLE LIMIT OF INSURANCE, WE WILL NOT PAY ANY PREJUDGMENT INTEREST BASED ON THAT PERIOD OF TIME AFTER THE OFFER.
7. ALL INTEREST ON THE FULL AMOUNT OF ANY JUDGMENT THAT ACCRUES AFTER ENTRY OF THE JUDGMENT AND BEFORE WE HAVE PAID, OFFERED TO PAY, OR DEPOSITED IN COURT THE PART OF THE JUDGMENT THAT IS WITHIN THE APPLICABLE LIMIT OF INSURANCE.

GU 207 (6-78)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IL 00 21 04 98

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY
COMMERCIAL AUTO COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF
TRANSPORTATION
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

(1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

(1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packag-

ing "waste";

- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
CG 21 47 10 93

CL 701
(10-93)

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages):

This insurance does not apply to:

"Bodily Injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

- B. The following exclusion is added to paragraph 2.,

Exclusions of COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY (Section I – Coverages):

This insurance does not apply to:

"Personal Injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in paragraphs (a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

CL 694
(10-93)**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

CG 22 52 10 93

**EXCLUSION – MEDICAL PAYMENTS COVERAGE
(INMATES, PATIENTS OR PRISONERS)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement effective	12:01 A.M. standard time	Policy No.	NGB 0151564-00
Named Insured	INTEGRATED HEALTH SERVICES, INC.	Countersigned by	

(Authorized Representative)

SCHEDULE

Health Care Facilities
Mission, Settlement or Halfway Houses
Penal Institutions

The following exclusions are added to Paragraph 2., Exclusions of COVERAGE C – MEDICAL PAYMENTS (Section I – Coverages):

We will not pay expenses for:

1. "Bodily Injury" to any inmate, patient or prisoner who

is being treated, cared for, detained or imprisoned in any of the facilities shown in the Schedule.

2. Medical services rendered to anyone by you or your "employees" or any person or organization under contract with you to provide these medical services.

CL 694 (10-93)
CG 22 52 10 93

Copyright, Insurance Services Office, Inc., 1992

Page 1 of 1

Dituri, Donna

From: Cardamone, Vivian
Sent: Monday, January 24, 2005 11:11 PM
To: Dituri, Donna
Subject: IHS Letter

Donna,

Please see attached letter sent to Lockton.



IHS Letter
2005.doc (26 KB)

— Thanks
Vivian

AMERICAN INTERNATIONAL GROUP
EXCESS CASUALTY DIVISION
175 WATER STREET, 21ST FL.
NEW YORK, NY 10038

VIVIAN CARDAMONE
UNDERWRITING SPECIALIST
PHONE: 212-458-3494
FAX: 212-458-5773



January 24, 2005

David Jones
Insurance and Risk Management Specialist
Lockton Insurance Brokers Inc.
725 South Figueroa 35 FL
Los Angeles, Ca 90017

Re: IHS Accounts
Integrated Health Services Inc of Lester Policy # BE 3574344 Eff 1/1/99-00
Integrated Health Services Inc of Lester Policy # BE 3574386 Eff 1/1/00-01
Integrated Health Services Inc Policy # BE 3574343 Eff 1/1/99-00
Integrated Health Services Inc Policy # BE 3574384 Eff 1/1/00-02

Dear David:

Attached are the certified copies of the IHS accounts requested by your office. I have issued one certified copy for each of the accounts. We did not want to have too many certified copies out there.

We amended the following policies as requested by Lockton and agreed to by AIG:

IHS Policy # BE 3574343 Eff 1/1/99-00

Added Endt # 16 correcting the Prof Liab Form # shown on the Form Schedule.

IHS Policy # BE 3574384 Eff 1/1/00-02

No changes. However we did not include endorsement # 27 which was sent by our office. We did not have any record of it in our file.

IHS of Lester -Policy # BE 3574344 Eff 1/1/99-00

Added Endorsement # 16 which amended the Prof Liab to be FF.

Added Endorsement # 17 which amended the limit of liability to 2,000,000.

Added Endorsement # 18 which deletes the claims made endorsements on the policy.

Added Endorsement # 19 which includes defense inside the limit.